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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 001415

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E.O. 12958: DECL: END OF U.S.-JAPAN ALLIANCE TAGS: PGOV PREL KN KS SUBJECT: AMBASSADOR HILL DISCUSSES NORTH KOREA WITH CHIEF CABINET SECRETARY HOSODA

Classified By: Charge d'Affaires Michael W. Michalak. Reasons 1.4 (b/d

- Japanese Chief Cabinet Secretary Hiroyuki ¶1. (C) Summary. Hosoda opened a breakfast meeting with U.S. Ambassador to South Korea and U.S. Representative to the Six-Party Talks (6PT) Christopher Hill on March 10, 2005, by thanking him for his efforts on the North Korea issue. Hosoda raised the Takeshima/Dokdo Island dispute between South Korea and Japan and asked the Ambassador to convince the South Koreans to calm their emotions. Returning to North Korea, Hosoda stressed the need to convince Pyongyang that we will never allow it to develop into a nuclear power and that the possibility exists of total destruction without any compensation. He offered his assessment that North Korea would be willing to allow inspections and dismantlement of its plutonium program, in return for compensation, but that it is trying to prevent interference in its uranium development. Consequently, it is reluctant to return to the In response to a question about Japan's probable reaction to another DPRK missile test, Hosoda predicted that the Japanese public would become even more anti-North Korean.
  Already, the abduction issue has the public clamoring for economic sanctions. Hosoda said the GOJ knows the United States thinks sanctions are ineffective without international cooperation but the GOJ believes the Japanese situation is different. Ambassador Hill noted North Korea's engagement in illegal activities and suggested that we further look into this issue. Ambassador Hill concluded the meeting by reiterating his hope that a solution to the beef issue could be found soon. End Summary.
- 12. (C) During a breakfast meeting with Ambassador to South Korea and U.S. Representative to the Six-Party Talks Christopher Hill on March 10, 2005, Japanese Chief Cabinet Secretary Hiroyuki Hosoda thanked the Ambassador for his

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efforts on the North Korea issue and observed that the President and Prime Minister Koizumi had discussed the problem in a phone call the previous evening. Ambassador Hill said he is cooperating well with DG Kenichiro Sasae, his Japanese counterpart, but noted that they are negotiating with an "empty (DPRK) chair." He added that we are also with an "empty (DPRK) chair." He added that we are also working well with the South Koreans who have deep emotions invested in the process.

Relations with South Korea

- 13. (C) Hosoda raised the Takeshima/Dokdo Island dispute between South Korea and Japan. Takeshima is located in Shimane prefecture-Hosoda's home district-and has been registered as a Japanese territory for over 100 years, he stated. Immediately after World War II, South Korean President Rhee declared the island as part of South Korea and, since then, it has been a source of conflict. has been treated as a "blank territory" -- one that neither side discusses--even during fishery negotiations and there had been a tacit understanding that neither side should make an issue of the island. However, following Japanese Ambassador to South Korea Takano's statement in late February that Takeshima is "historically and legally Japan's territory," the South Koreans have become more emotional. Hosoda asked whether the Ambassador could convince the South Koreans to calm their emotions. Ambassador Hill responded that he has publicly and privately urged the South Koreans to work out such issues calmly.
- (C) In contrast, cultural exchanges between South Korea and Japan have been very successful, Hosoda observed. Kabuki performances in South Korea have been well-attended and South Korean actors are very popular in Japan. Ambassador Hill agreed, saying that Japanese music is very popular in Seoul and that he does not observe in Korea the kind of disturbing nationalism that has emerged among some younger Chinese. Hosoda likened President Roh to the popular "Winter Sonata" star Bae Yong Joon and jokingly asked whether the South Korean public preferred weak, "soft touch" men. Ambassador Hill replied that Roh sometimes unintentionally makes news in his speeches, but that he has three years left in his term and Japan and the United States would have to find a way to work with him.

- 15. (C) The other countries in the Six-Party Talks (6PT) do not support the North's nuclear development, Hosoda stated and expressed hope for that the talks would restart soon. Ambassador Hill shared his opinion that China may be ready to put more pressure on Pyongyang because it knows its prestige is being tested. Ambiguity can sometimes solve diplomatic problems, but, Ambassador Hill emphasized, the issue of nuclear weapons progress demands crystal clear results. Hosoda believed that, after watching China, India and Pakistan develop nuclear weapons, North Korea mistakenly assumed that it, too, could test a weapon and eventually be accepted as a de facto nuclear power. It is important, Hosoda stressed, to convince North Korea that we will never allow it to develop into a nuclear power and that the possibility exists of total destruction without any compensation. Ambassador Hill said, unfortunately, North Korea regards every gesture as a sign of weakness.
- 16. (C) Japanese political parties and the public are finally starting to understand why the United States invaded Iraq, Hosoda observed. With the North Korean nuclear threat looming, the "wind is changing in Japan," and many are starting to call for economic sanctions. In October 2004, Hosoda mentioned that North Korea possessed nuclear weapons and was immediately criticized by the then-Democratic Party of Japan (DPJ) Shadow Defense Minister. Since the North's announcement, however, the DPJ does not know what to say or do, and does not know what kind of policy to pursue.
- 17. (C) Hosoda offered his analysis that in contrast to the past, when bombers carried atomic weapons, today nuclear weapons must be mounted on missiles. North Korea needs to further develop its missile technology and also requires more time to perfect its plutonium-based weapons. Hosoda assessed that North Korea would be willing to allow inspections and dismantlement of its plutonium program, in return for compensation. Regarding uranium development, however, North Korea appears to be in an "intermediary stage." The North does not want any interference in its uranium development program and, consequently, is reluctant to return to the 6PT. Ambassador Hill said that in any settlement, North Korea would need to account for its equipment and show us what they have been doing with it. He asked what the Japanese reaction would be to another missile test.
- 18. (C) The Japanese government, Hosoda recalled, took less than one month to decide to launch intelligence satellites following the 1998 Taepodong launch. He predicted that the Japanese public would become even more anti-North Korea if it were to test another missile. Already, the abduction issue has the Japanese public clamoring for economic sanctions. Prime Minister Koizumi remains cautious and would like to continue negotiations, but frustration is growing among the public and a missile test would add fuel to the fire. Hosoda said the GOJ knows the United States thinks sanctions are ineffective without international cooperation but the GOJ believes the Japanese situation is different. There are many North Koreans living in Japan who are making a lot of money and sending it back to the DPRK. These people feel that they protect their relatives in North Korea when they send money, and if Japan decides to apply sanctions and cut off this flow, it could do a lot of damage domestically. Consequently, the GOJ is taking a cautious approach, not because it thinks sanctions would be ineffective, but precisely because it thinks they would be effective. Ambassador Hill observed that North Korea is engaged in many illegal activities and we need to develop further information on these activities to get them to stop.
- 19. (C) Turning to U.S.-Japan relations, the Ambassador remarked that while the President and Koizumi had had a good telephone discussion the previous evening, the Ambassador wanted to reiterate his hope that a solution to the beef issue could be found soon. He emphasized that there are many important issues that require U.S. and Japanese cooperation, and stressed that we cannot let an issue like beef stand in the way. Hosoda thanked Ambassador Hill for his time and said he thought their relationship was off to a good start. He noted that South Korea, too, does not currently import beef from the United States and urged the Ambassador to convince South Korea to restart imports, as well. The Ambassador assured him he was doing so.
- $\P 10$ . (SBU) Ambassador Hill has cleared this cable. MICHALAK